GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:6152
ANSWERED ON:07.05.2002
REVIEW THE WORKING OF SGSY
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Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether any guidelines and norms have been laid down for implementing the Swarna Jayanti Gram Swarozogar Yojana ;

(b) if so, the details thereof ;

(c) whether the Government have made any review the working of Swarna Jayanti Gram Swarozgar Yojana (SGSY) ;

(d) if so, the States where such review has been made ;

(e) whether the Government have found that the scheme meant for the poorest of the rural poor is being pocketed by the unscrupulous in connivance with the banks ;

(f) if so, the States from which such incidents have been reported to his Ministry; and

(g) the steps taken to stop this practice ?

Answer

MINISTER OF RURAL DEVELOPMENT (SHRI M. VENKAIAH NAIDU)

(a) and (b) The provisions contained in the existing Guidelines of the Swarnajayanti Gram Swarozgar Yojana (SGSY) include :

- The SGSY is an integrated Programme for Self Employment of the Rural Poor Below the Poverty Line in the States and Unio Territories.

- The Scheme is funded by the Centre and the States in the ratio of 75:25

- The SGSY is implemented by the District Rural Development Agencies (DRDAs) through the Panchayat Samitis and with activ involvement of other Panchayati Raj Institutions, the Banks, the Line Departments and NGOs.

- The objective of the SGSY is to bring the assisted poor families(Swarozgaris) above the Poverty Line by organizing the rural poor into Self Help Groups (SHGs), their training and capacity building and provision of income generating assets through a mix of Bank Credit and Government Subsidy.

- The assisted families (Swarozgaris) may be either individuals or groups (SHGs) from the families Below the Poverty Line.

- The emphasis under the SGSY is on Cluster approach by identifying 4-5 key activities in a Block, based on the local resources, the aptitude as well as the skills of the people and the market potential.

- The SGSY lays emphasis on Group approach, under which the rural poor are organized into Self Help Groups (SHGs). All members of the Group should belong to families Below the Poverty Line and the Group is not to consist of more than one member from the same family. A person should not be a member of more than one Group.

- The Scheme provides for involvement of NGOs / Community Based Organisations (CBOs) as facilitators for social mobilisation training and capacity building of SHGs.

- The list of BPL households identified through BPL Census, duly approved by the Gram Sabha forms the basis for identification of families for assistance under the Scheme.

- Swarozgaris are identified by a three member Committee consisting of the BDO (or his representative), the Banker and the Sarpanch in the Gram Sabha.

- The SGSY particularly focusses on the vulnerable groups among the rural poor.Accordingly, the SCs/STs are to account for at least 50% of the Swarozgaris, Women for 40% and the Disabled for 3%; 50% of the Groups formed in each Block should be exclusively for Women.

- Self Help Groups are subjected to first and second Grading Test after six and twelve months from formation respectively. Only those Groups which qualify in the Test are sanctioned Revolving Fund of Rs.25, 000/- after six months and assistance for economic activity after 12 months.

- The Revolving Fund of Rs.25, 000/- is sanctioned as Cash Credit by the Banks, of which Rs.10, 000/- is released as Subsidy by the DRDAs.

- Subsidy under the SGSY is uniform at 30% of the project cost, subject to a maximum of Rs.7, 500/-.In respect of SC/STs, however, these are 50% and Rs.10, 000/- respectively. For groups of Swarozgaris (SHGs) the subsidy would be at 50% of the cost of the Scheme, subject to a ceiling of Rs.1.25 lakh. There is no monetary limit on subsidy for irrigation projects.

- Subsidy under the Scheme is back-ended; Banks would disburse the full project cost, including subsidy, to the Swarozgaris as loan. The subsidy is kept in the Subsidy Reserve Fund Account of the Swarozgari and is adjusted against the loan in the last few instalments.

- All SGSY loans are treated as Medium Term Loans, with minimum repayment period of five years.

- The SGSY is a credit cum subsidy Programme, wherein, subsidy is an enabling element and credit the key component..It provides for multiple doses of credit but subsidy entitlement for all doses taken together is not to exceed the limit prescribed for that category.

- The assets sanctioned under the Scheme should be marked to check misutilisation or transfer of assets.

- Insurance cover is available for Livestock assets given under the Scheme.

- 20% of the annual allocation (25% for N.E. States) is earmarked for infrastructure development as SGSY-Infrastructure Fund, which may be used for either production, processing, quality testing, storage and marketing, 10% for Training, which includes Skill Development and Basic Orientation Training, 10% for Revolving Fund to SHGs and the balance for subsidy for economic activities.

- The Scheme is reviewed and monitored at various levels through Committees at the Block, District, State and Central level.

- Credit mobilization is reviewed and monitored at the District level by the District Consultative Committee, at the State level by the State Level Bankers Committee (SLBC) and at the Centre, by the Central Level Coordination Committee (CLCC).

(c) & (d) The performance of the implementation of SGSY is continually reviewed and monitored at various levels. At the Block and District levels, this is done through reports and physical verification of assets. At the Central Level, the Scheme is reviewed and monitored through Monthly Progress Reports and Annual Report, visits by Senior Officers of the Ministry under the Area Officers Scheme and in the Performance Review Committee Meetings which are attended by the State SecretariesIn January 2002, a Review Meeting was held at Patna for the States of Bihar, Jharkhand, West Bengal, U.P. and Orissa which was attended by Senior Bank representatives and officials of the Rural Development Department of these States.

(e) to (g) No such irregularities have specifically come to the notice of the Ministry .